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Research Report
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Honours in Brand Leadership

Module: **Alchemy**

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**TO ANALYSE THE PERCEIVED ATTITUDE OF
BANKMED MEDICAL SCHEME MEMBERS,
AGE 18 – 30 YEARS, TOWARD THE MEDICAL AID
WITHIN THE FRAMEWORK OF THE
CENSYDIAM MODEL**



Acknowledgements

This research could not have been accomplished without the generous help of many who have given freely of their time, insights and knowledge.

My deepest gratitude to God for His grace, the learning opportunity and tenacity to keep going despite many diverse challenges, to Bankmed for always broadening my horizons, to my supervisor and lecturer, Helena van Wyk, who has nurtured and shaped my understanding, to Vega School of Brand Leadership for the enrichment of learning and to think differently and independently.

Sincerely thanks to Max Weldon for his analytical expertise, Chris McClure, Sarie Vermaak, Leigh van Dassie and the respondents at the bank for their time and effort to support and participate in this research.

Lastly, to my precious friends and family for their love and encouragement, thank you so much.

GLOSSARY		
Item	Word / Phrase	Clarification
1	Bankmed	Refers to Bankmed Medical Scheme
	Scheme	Refers to Bankmed Medical Scheme.
2	Close Medical Scheme	Scheme membership is allowed to the employees of a particular sector, industry, profession or trade only.
3	Compulsory members	Membership of a medical aid scheme as a condition of employment and therefore membership of another medical scheme is restricted.
4	Open Medical Scheme	Membership of an open scheme is open to any person of the public and therefore open to any sector, industry, profession or trade.
5	Freedom of Choice	Employee can choose any medical scheme provider for healthcare funding.
6	Member	The person who joined a medical scheme is known as a principal member
7	Beneficiary	The dependant of a member of a medical scheme
8	Bounce	Bankmed magazine published and distributed to members, employer groups and service providers.
9	Bankmed value cycle	Systemic effect of compulsory membership where there is a natural flow of younger and on average healthier members joining the scheme.
10	Censydiam	Censydiam is an acronym of the Centre for Systematic Diagnostics in Marketing. Censydiam is a psychoanalytic modular suite of tools designed to help clients develop growth strategies for their brands in connecting the brand with deeper human motivations. Two underlying principles that make Censydiam unique: Censydiam tools have a unifying people centered vision to assist.
11	Cross Subsidisation	The medical aid contribution of the healthy pays for the cost of medical claims of the sick as they often use more funds than contributed.
12	Subsidy	Employer portion towards the cost of medical scheme contributions of the employee.

LIST OF TABLES AND FIGURES

BANKMED – EXTRACT OF THE SUMMARISED FINANCIAL STATEMENTS 2014 FOR STATISCAL PURPOSES

Table 1

BANKMED Report of the Board of Trustees – 2014						
4. REVIEW OF THE ACCOUNTING YEAR'S ACTIVITIES (continued)						
4.1 Operational statistics (continued)						
2014	Basic Plan	PMB Plan	Core Saver Plan	Traditional Plan	Comprehensive Plan	Plus Plan
Average net contributions per beneficiary per month (R)	871	761	944	1 449	1 347	2 212
Relevant healthcare expenditure as a percentage of gross contributions	67.08%	19.61%	57.00%	95.64%	82.93%	84.17%
Average administration costs per member per month (R)	188	188	188	188	188	188
Average administration costs per beneficiary per month (R)	92	92	92	92	92	92
Amounts paid to administrator (R)	22 655 547	1 259 870	29 425 033	32 773 336	90 358 809	9 101 313
Non-health expenses as a percentage of gross contributions	16.17%	21.12%	13.42%	8.83%	7.63%	4.56%
Average accumulated funds per member at 31 December (R)	16 433	16 433	16 433	16 433	16 433	16 433
Average healthcare management expense per member per month (R)	81	81	81	81	81	81
Average healthcare management expense per beneficiary per month (R)	40	40	40	40	40	40
Return on investments as per an independent review by the Scheme's actuaries (excluding savings account trust monies)	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%

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Table 2

BANKMED Report of the Board of Trustees – 2014						
3. INVESTMENT STRATEGY OF BANKMED (continued)						
appointment and termination of investment managers, periodic review of each asset manager's performance against an agreed benchmark and assistance with all investment consulting issues. The Trustees will not encumber asset managers with restrictions or pre-determinations, other than limitations documented in the Investment Policy Statement and the applicable Regulations. The asset managers will be free to invest assets under their control according to a specified mandate and with the understanding that they will be judged according to the benchmarks set by the Scheme. The Trustees have appointed an Investment Committee to recommend investment policy and to oversee the implementation of the Scheme's approved investment policy.						
4. REVIEW OF THE ACCOUNTING YEAR'S ACTIVITIES						
4.1 Operational statistics						
2014	Basic Plan	PMB Plan	Core Saver Plan	Traditional Plan	Comprehensive Plan	Plus Plan
Number of members at year end	19 230	1 341	15 080	15 884	44 127	4 405
Number of beneficiaries at year end	33 537	1 719	27 925	34 956	96 528	8 960
Average number of members for the year	18 787	1 187	14 488	16 135	44 487	4 481
Average number of beneficiaries for the year	32 744	1 506	26 617	35 432	96 918	9 158
Dependent ratio to members at year end	0.7	0.3	0.9	1.2	1.2	1.0
Pensioner ratio	2.5%	1.1%	5.0%	13.4%	19.2%	43.3%
Average age of beneficiaries	24.4	26.5	26.1	31.0	34.3	48.2
Average net contributions per member per month (R)	1 518	991	1 747	3 181	2 954	4 521

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BANKMED – EXTRACT OF THE SUMMARISED FINANCIAL STATEMENTS 2014 FOR STATISCAL PURPOSES

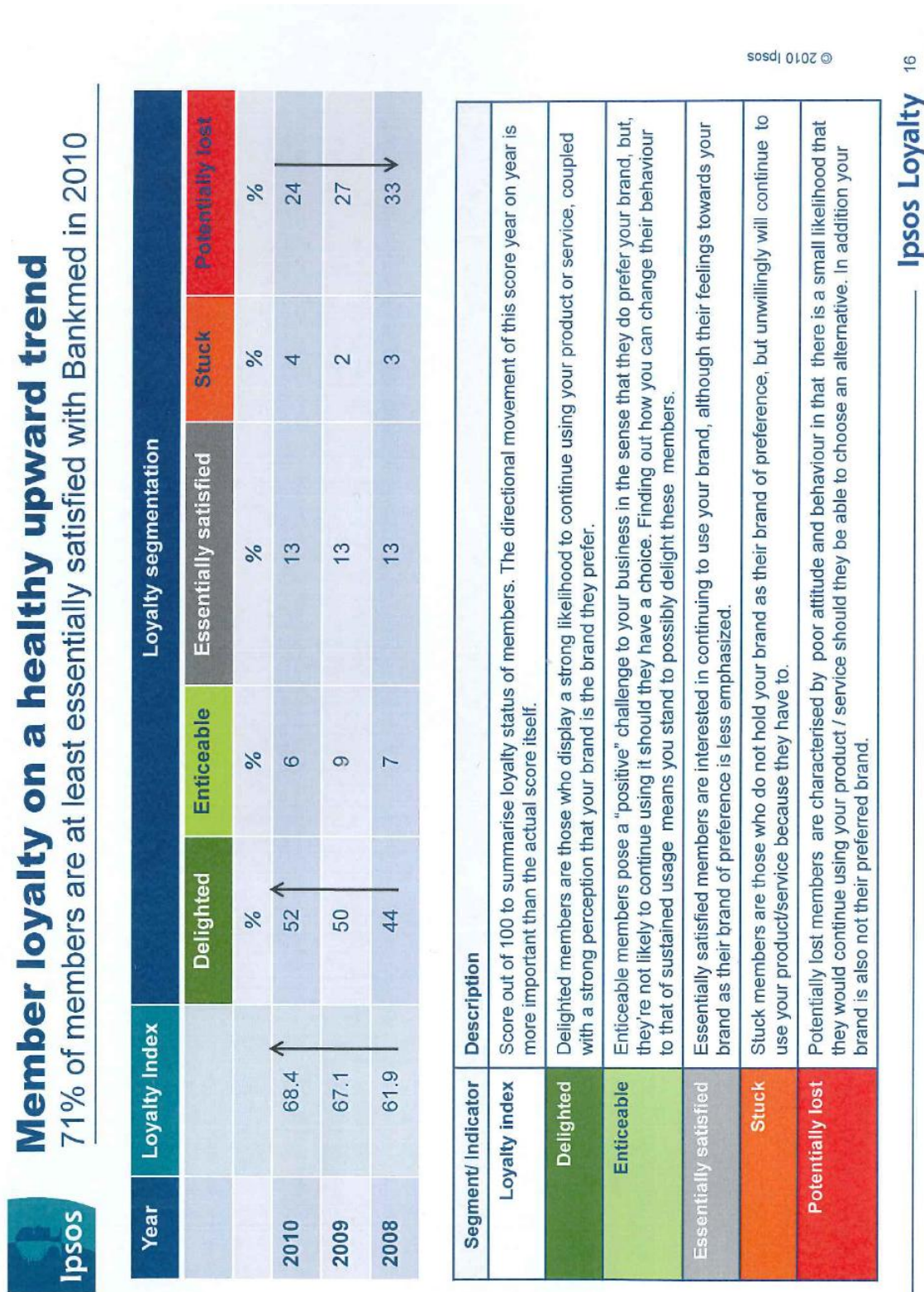
Table 3

BANKMED Report of the Board of Trustees – 2014			
4. REVIEW OF THE ACCOUNTING YEAR'S ACTIVITIES (continued)			
4.3 Accumulated funds ratio	The accumulated funds ratio is calculated on the following basis:		
		2014	2013
		R	R
Total members' funds per the summarised statement of financial position		1 921 951 733	1 894 849 134
Less: Available-for-sale reserve		(277 534 626)	(235 676 624)
Accumulated funds per Regulation 29		1 644 417 107	1 659 172 510
Gross contributions		3 575 249 082	3 337 535 687
Accumulated funds ratio		45.99%	49.71%
4.4 Reserve accounts	Bankmed's reserve ratio exceeds the statutory reserve requirements and the performance of the investment strategy is a major contributing factor to the overall Scheme financial position. The reserve ratio as at 31 December 2014 was 45.99% (2013: 49.71%) of gross annual contribution income (the minimum statutory reserve requirement is 25%), which is largely in line with the Scheme's reserve management policy.		
	Movements in the reserves are set out in the summarised statement of changes in funds and reserves. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Scheme.		
4.5 Outstanding risk claims provision	Movements on the outstanding risk claims provision are set out in Note 6 to the summarised financial statements. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Scheme.		
5. ACTUARIAL SERVICES	The Scheme's actuaries have been consulted in determining the contribution increases and the viability of benefit levels.		

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BANKMED – MEMBER SATISFACTION AND LOYALTY SURVEYS

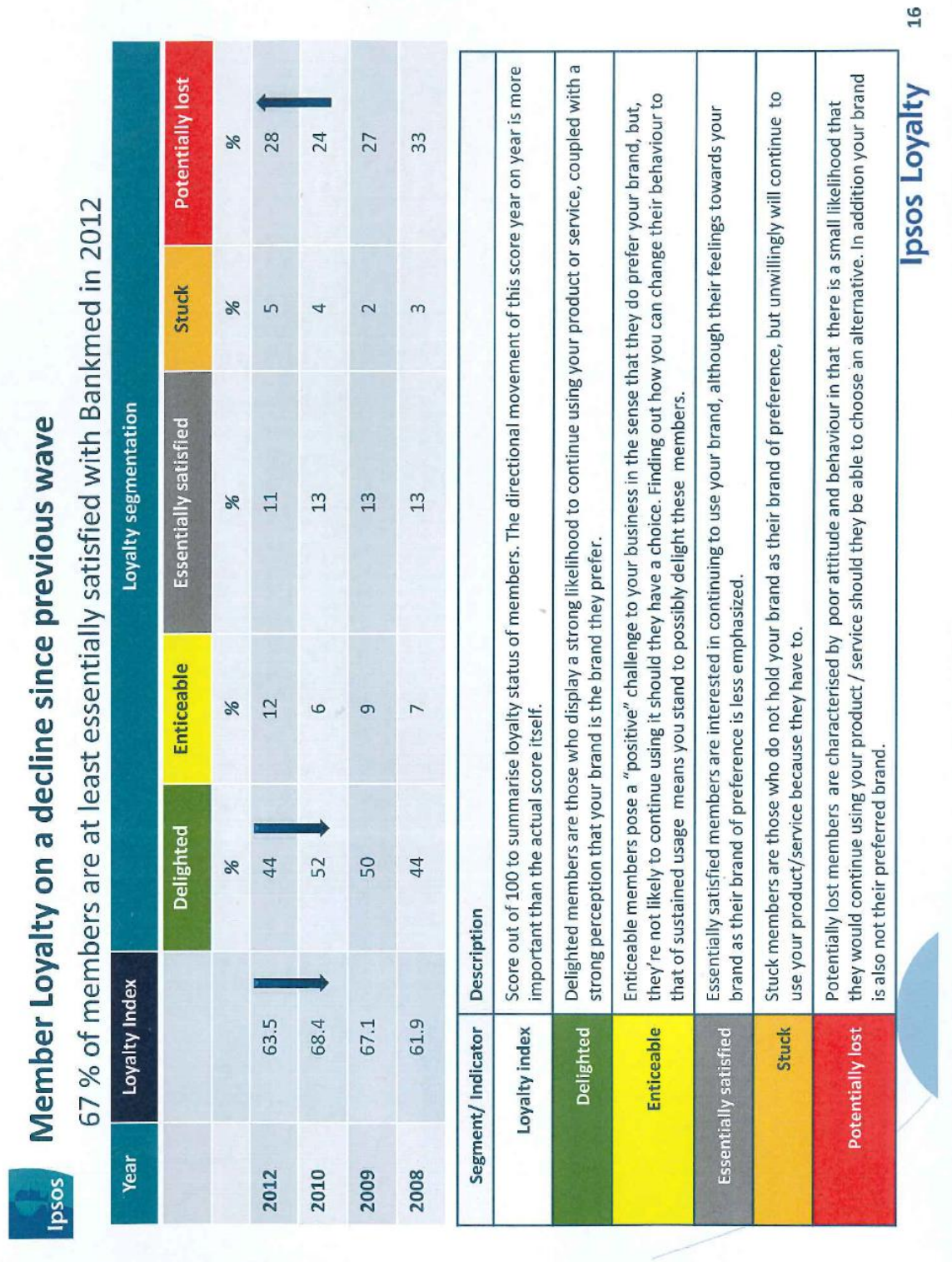
Table 4



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BANKMED – MEMBER SATISFACTION AND LOYALTY SURVEYS

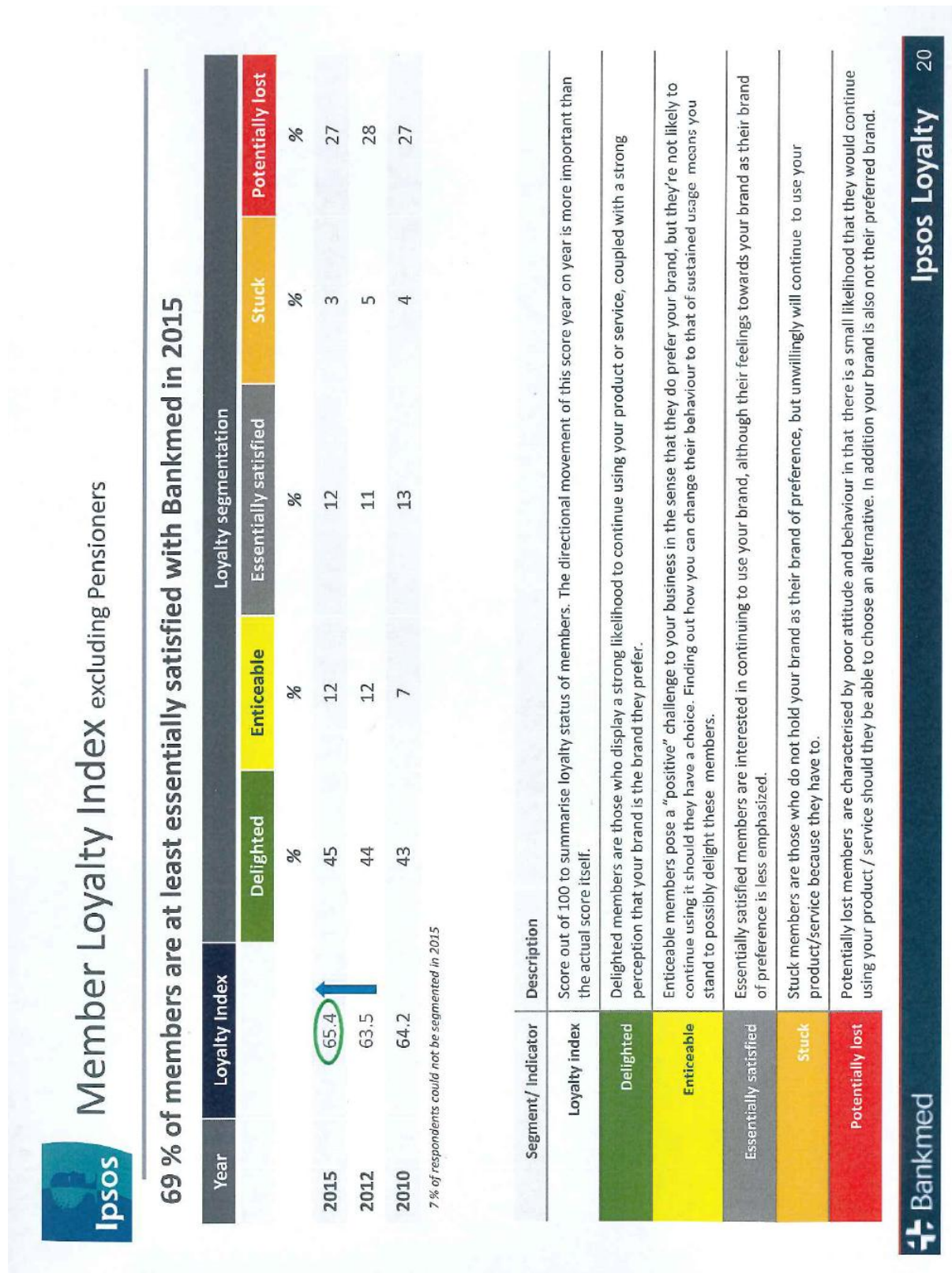
Table 5



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BANKMED – MEMBER SATISFACTION AND LOYALTY SURVEYS

Table 6



Abstract

Following the outcome of the Bankmed quantitative Member Satisfaction and Loyalty survey where the member segment aged 18 – 30 years was identified as “Potentially Lost”. Potentially lost members are characterised by poor attitude and behaviour in that there is a small likelihood that they would continue using your product and service should they be able to choose an alternative. In addition your brand is also not their preferred brand (Ipsos Loyalty 2015).

It was determined that research into this segment be conducted in order to ascertain how best to favourably position the Bankmed brand and brand offering in the minds of this target audience. The research objective is to analyse the perceived attitude of the Bankmed medical scheme members, age 18-30 years, toward the medical aid within the framework of the Censydiam Model.

The research will focus on an understanding of these members’ needs and motivations and provide direction as to how to connect the Bankmed brand with these deeper human motivations and ultimately ensure the brand resonates with this segment.

The Censydiam Model research framework will be utilised as it seeks to uncover core human motivations associated with a specific category (in this case medical aid), thereby growing brands by recommending how they can connect to these deeper human motivations. To address the research objectives two 3-hour Censydiam qualitative focus groups, semi-structured conversational interviews, has been conducted with males and females, age 18 – 30 years, separately within a targeted accessible and most appropriate population given the complexity of the research problem.

This research has shown that a one-size-fits-all approach is not likely to be successful with the younger segment in Bankmed. The segment feels disempowered and disengaged from the category, and is unable to see return on investment in their health, particularly given that they are contributing monthly, which compromises their take-home salary, but making minimal use of medical facilities.

Part of their disempowerment lies in the all-inclusive communications distributed by Bankmed, which presents as a one-way communication that puts members in a subordinate position, whereas young members respond better to a dialogue between

equals. It was also seen that changes in life stage, specifically the arrival of dependants, result in a change in the motivational space underlying members' approach to healthcare cover from a 'me-orientation' to an 'us-orientation,' which is where the core motivational space for the category is to be found.

The core motivational spaces for the medical aid category have been identified on the Censydiam model as Security (segment name "Sanctuary Seekers") and Belonging (segment name "Carers"). Sanctuary Seekers want to know that they are covered for every medical eventuality, and want to feel reassured that their healthcare cover provider has the track record and capabilities to guarantee this cover. The Carers need to know that all their loved ones are covered by their healthcare cover, and that they are receiving similar care from their provider. Currently Bankmed is positioned in the Sanctuary Seeker segment but it is advised to investigate the feasibility of relocating itself in the Carer segment

The primary audience for this research is the Bankmed CEO and the Bankmed Brand Council, and the key message to this audience is to reposition the brand as a brand that does not merely care for members (enable them to take care of their primary medical needs), but cares about them – positioning Bankmed as a co-traveller on the journey to achieve and maintain health, thereby optimising oneself in all spheres of life. The secondary audience for this research is the brand team, and the key message to this audience is to reconsider the channel, tone and content of communications to reinforce the relationship between provider and member as a collaboration rather than an enablement; it would be advisable that channels include social media platforms in order to cue relevance, and that messaging be personalised and targeted rather than over-generalised.

The results of the research will influence the strategic direction of how to position the Bankmed value offering and communication content and channels to optimise brand resonance and equity.

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Chapter One: INTRODUCTION

1.1 Background to Research

Bankmed is a restricted medical scheme for the Banking industry. Membership of Bankmed is a condition of employment for all employees (except if the employees belong to their spouse's medical scheme) in companies affiliated to Bankmed.

Bankmed has approximately 100,067 members and provides healthcare insurance to over 203,625 lives (members and their dependants). The Scheme has a net annual contribution income of R3.5 billion in 2014 (AGM Notice: Summarised Financial Statements 2014). Approximately 9.01% of the income is utilised for non-healthcare expenses and the balance is paid out to medical claims of healthcare service providers which include doctors, pharmacists, private hospitals, nurses, etc. Any surplus money (difference between contributions collected and claims paid) are invested. The investment income is known as the Scheme reserves. The scheme's reserves are utilised in the event that the healthcare claims exceed the medical aid contribution income. The figures quoted above were adopted from the audited Annual Financial Statements and the Annual Report of the Board of Trustees for the year ended 31 December 2014, pages 8, 9 & 12.

In the last two decades, the contribution increases of medical schemes have increased by at least 3% (National Department of Health, 2013) higher than the average annual Consumer Price Index (CPI) and salary increases. High medical cost adds increased financial pressure on the disposable income of households.

The higher than inflation contribution increases, together with a perceived restriction in medical benefits has added to the perception of decreased value of belonging to a medical scheme.

According to the Bankmed value cycle the systemic effect of young members, age 18 – 30 years, joining the scheme is the foundation of the success of the Bankmed business model. By utilising the investment income of the surplus generated from this younger member segment (their claims are less than their contributions), Bankmed is able to offer better value than the average open medical schemes. It is

therefore critical for Bankmed to retain these young members in order to keep the value cycle intact to sustain the future existence of Bankmed.

Should banks no longer subsidise the contributions to their medical aid, employees may start questioning the compulsory nature of belonging to the prescribed medical aid and Bankmed therefore need to mitigate this business risk by enhancing their brand positioning and value to this young, age 18 – 30 years target market. The following information sections allow for greater insight into the research topic and understanding the complexity of the research problem.

1.2 Research Topic

To analyse the perceived attitude of Bankmed Medical Scheme members, age 18 – 30 years, towards the medical aid within the framework of the Censydiam Model.

1.3 Research Problem

Bankmed medical scheme membership is often viewed as being a grudge purchase by members, specifically the young and healthy who generally do not require much in the way of healthcare services but have to make a monthly contribution. A medical scheme's sustainability is based on the principle of cross-subsidisation between members with low and high healthcare needs and the low and high income members. This means that the contributions of the healthy pays for the medical claims of the sick and members in a higher income bracket pays a higher contribution for the same medical plan (suite of benefits).

Bankmed conducts regular Member Satisfaction and Loyalty surveys to assess member satisfaction levels. The results of the survey conducted in 2010 revealed that 24% (Table 4) of its members could be categorised as “potentially lost” in the event that membership is changed from the current compulsory condition of employment to voluntary membership. Potentially lost members are characterized by poor attitude and behavior in that there is a small likelihood that they would continue using Bankmed should they be able to choose an alternative. In addition the Bankmed brand is also not their preferred brand as identified the Bankmed Member Satisfaction and Loyalty survey 2010.

The introduction of the National Health Insurance (NHI) by the National Department of Health with a phased implementation from 2012 to 2025 (National Department of Health, 2011) will further increase the pressure on employers to eliminate medical scheme membership as a condition of employment, allowing voluntary membership and choice of medical scheme. This will hinder the systemic influx of young employees joining Bankmed when employed by the banks.

Furthermore, the lowest levels of satisfaction as per the Bankmed survey results, is amongst the 18 to 35 years age group, who generally have low healthcare needs. These are low claiming members and the loss of this cross subsidisation will further increase the financial pressure on the scheme and increase the contribution costs of the remaining members. There is a potential of a downward financial spiral of the scheme considering that the 2012 survey reveals an increase from 24% (Table 4) in 2010 to 34% in 2012 (Table 5) and an alarming 44% in 2015 (Table 6), of potentially lost members in the age 18 – 34 years segment.

Analysing the perceived attitude of Bankmed Medical Scheme members, age 18 – 30 years, towards the medical aid within the framework of the Censydiam Model which seeks to uncover core human motivations associated with medical aid insurance will allow the researcher greater insight into understanding the complexity of the research problem in respect of why this segment does not resonate with Bankmed.

1.4 Research Objectives

The objectives of the research are:

- To investigate the attitude of Bankmed medical scheme members, age 18 – 30 years, towards the medical scheme.
- To explore the Censydiam Model framework.

Furthermore, the intent of the research is to draw guidance from the Censydiam framework to establish a strategic direction for engagement, optimisation of the brand and product positioning and analytic expertise to inform a Bankmed Engagement Strategy to strengthen and grow the brand equity among the members age 18-30 years segment.

Strategic Direction:

- To relate the members, age 18 – 30 years, need-states to available choices and pinpoint unmet needs.
- To identify, profile and detail opportunities.

Optimisation of Current Brand and Product Positioning

- To explain current brand and product imagery, equities, usage, engagements and more.
- To determine key drivers and underpinning attitudes and behaviours.
- To identify engagement triggers and barriers, both functional and emotional.
- Analytic expertise to inform the business issues.
- To provide actionable recommendations that will inform the brand management team to think differently of the members, age 18 – 30 years segment and to think of new innovative ideas to improve positioning and brand equity.

Analytic expertise to inform the Business Issues

- To provide actionable recommendations that will inform the brand management team to think differently of the members, age 18 – 30 years segment and to think of new innovative ideas to improve positioning and brand equity.

1.5 Methodology

Primary data will be sourced from qualitative focus groups and secondary data from the past member satisfaction and loyalty surveys and Bankmed statistics. In line with the objectives, the research will be **explorative in nature** and will therefore be a **qualitative approached** with **unstructured interviews** of focus groups whereby the observation role of the researcher will be that of a complete participant; covert observer and a fully functioning member. This approach enables the research to hone in on the respondents mind-set and the subjective meaning that they attribute to their attitudes, views and perceptions. The approach will further inform why young and healthy members behave the way they do and what influences their perceptions and choices of medical aids, and in relation to Bankmed specific. The approach offers more stimulation to the participants than a structured interview would and the researcher is present where the data is collected and gives the opportunity to build on the discussion guide in-situ should the conversation spark additional questions.

There will be two focus groups, each consisting of 6 respondents. The groups will be split by gender to avoid distraction and allow for ease of expressing opinions. It will be conducted in an informal environment to further explore behaviour, body language, attitude towards products, brands and channels to determine themes and trends for data analysis. The focus group interview data will be analysed using the content analysis instrument within the prescribed framework of the Censydiam Model with the support of an accredited Censydiam research analyst. Comprehensive details of the methodology and discussion guide informed by the research objectives are further outlined in Chapter 3.

1.6 Delimitation of the study

This study does not aim to assess the Bankmed brand vision, mission, identity, purpose, positioning nor its communications content and channels. It is not evaluating the benefits of the scheme nor what the members define as affordable medical aid. Neither is the study aiming to convince members to remain on Bankmed.

1.7 Practical and Ethical Issues

The following ethical proposition will be monitored throughout the research.

1. To be mindful of social, political and economic background of participants
2. Not to marginalize participants into social hierarchy status.
3. Participants will be informed in advance and reminded during the introduction about the duration of the qualitative survey, that they agreed to partake in a research study, the purpose of the research, how it will be conducted, what is expected of the participants, the purpose of the insights derived and that all feedback will remain anonymous.
4. Participants will be reminded that honesty and transparency will be highly valued.

1.8 Report Outline

Chapter One: Introduction – includes the background of the research and the outline of the structure.

Chapter Two: Literature Review – includes assessment of previous research and theories surrounding the research topic.

Chapter Three: Methodology – includes the research approach, research design and data method collection.

Chapter Four: Research Analysis and Findings – includes the outcome of the research.

Chapter Five: Conclusions and Recommendations – includes collective conclusions and recommendations.

Chapter Two: LITERATURE REVIEW

2.1 Literature Review

The literature review aims to position a rationale for the choice of research problem and how this research relates to similar and past research, and what is different about this research.

“The concept behind the Brand Equity Model indicates that in order to build a strong brand, you must shape how customers think and feel about your product. You have to build the right type of experiences around your brand, so that customers have specific, positive thoughts, feelings, beliefs, opinions, and perceptions about it.

When you have strong brand equity, your customers will buy more from you, they'll recommend you to other people, they're more loyal, and you're less likely to lose them to competitors” (Keller, 2013)

Linking back the Brand Equity Model of Keller to the research objectives, it is noted that Bankmed has 48 affiliated organisations where membership is a condition of employer. The First Rand Group (FNB, Wesbank, Rand Merchant Bank and FirstRand Corporate Capital), Absa - Barclays, Standard Bank and the Reserve Bank equates to 85% of the Bankmed membership base. Five Bankmed member satisfaction and loyalty surveys have been executed within the last decade whereby the objectives were to:

- Measure member loyalty.
- Assess member satisfaction with the products and services offered by Bankmed.
- Monitor and track Bankmed's perceived performance among members.
- Assess Bankmed's image and components of brand equity amongst members.
- Measure specific Bankmed communication elements.

Subsequent to the surveys, significant enhancements to product, operational processes and customer service informed by the results of these surveys have been implemented by Bankmed

The researcher has compared the outcome of the Bankmed member satisfaction and loyalty surveys completed of 2010, 2012 and 2015 (Table 4, 5 and 6) and it is noted that the loyalty segment results indicated that within the age group 35-54, regardless of whether they have dependants or not, are most likely to continue to use Bankmed as their healthcare insurance provider, and also to recommend the scheme to others. On the other hand the young 18-34 age groups are least likely to recommend Bankmed. This is also the only life-stage that saw a decline in likelihood to recommend in comparison to the survey results of previous years.

Considering the past research results a negative trend has been noted whereby the members age 18-30 years in particular do not resonate with the value offering of Bankmed. This led to the research objective to investigate the attitude of Bankmed medical scheme members, age 18-30 years, towards the medical scheme. What is different this time around is the method of research from quantitative to qualitative exploring the Censydiam Model framework.

The scientific validation of the Censydiam Model has been cross-validated, construct validated and an application of a psychological taxonomy of consumer motives has been done by Nele Geeroms in his dissertation submitted to the Faculty of Economics and Business Administration, Ghent University, in the fulfilment of the requirements for the degree of Doctor in Applied Economic Sciences.

“Subject of research within this dissertation has been the two-dimensional motivational framework of Callebaut et al. (1999), consisting of eight fundamental consumer motives (Vitality, Pleasure, Conviviality, Belonging, Security, Control, Recognition, Power), i.e. desirable end-states that people seek to attain through consumption. Recently, this framework has been used worldwide by a dozen of prominent multinational companies to position, reposition or communicate new and existing brands (e.g. Coca-Cola, Johnson and Johnson, Heineken, Nokia and Chefaro). However, notwithstanding this practical relevance, the consumer motive taxonomy of Callebaut et al. (1999) has never been scientifically validated or tested. Hence, the purpose of the dissertation of Nele Geeroms was to contribute to the validation and critical assessment of this basic motivational framework in a marketing context. More specifically, Nele Geeroms tried to meet this purpose of his dissertation by extensively investigating and testing (1) cross-cultural validity, (2)

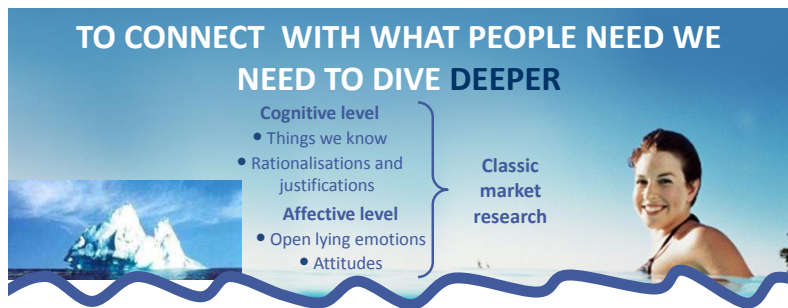
construct validity, and (3) the practical application of the eight fundamental consumer motives. Accordingly, the research in this dissertation was organized among these three themes: (1) In a first series of studies it was investigated if it is possible to measure underlying consumer motives in a standardized way by a set of stable (i.e. reliable) unidimensional implicit items and, in addition, to confirm the cross-cultural validity of the found motive structure. The results of an analysis (INDSCAL), performed on respondents' valence ratings of a set of 34 motive-expressive items, gave evidence of the robustness of Callebaut et al.'s (1999) taxonomy of consumer motives across 11 different countries and four different product categories. (2) To test for construct validity, in the second research theme it correlated consumer motives with other related concepts in literature. In one study, several meaningful relationships were detected between consumer motives and personal values, whereas in two additional studies the focus was set on the relationships between consumer motives and two distinct personality traits, i.e. consumer innovativeness and self-control. In particular, consumer motives were found to act as intervening variables in the relationship between these personality traits and several aspects of consumer behavior. (3) Finally, in the last research theme it concentrated on the practical application of the consumer motive taxonomy of Callebaut et al. (1999) as a new segmentation paradigm in the context of health marketing. First, the usefulness of this new segmentation approach was demonstrated in the process of developing appropriate fruit and vegetable health advertisements, whereas in a final study clear implications were shown in the context of ready meal consumption behaviour which proofed the validity of the Censydiam Model" (Geeroms, 2007).

Ernest Dichter pioneered the application of Freudian psychoanalytic concepts and techniques, in particular the study of consumer behaviour in the marketplace. A behavioristic view with a psychodynamic view introduces concepts, such as rationalizing and distinguishing between the conscious and unconscious and the imaginary and symbolic inspired by psychoanalytical theory (Dichter E. 1994).

The Censydiam Model guide assists in understanding better the mechanisms of human motivations.

"It is easy to observe and measure the overt rationales consumers use to justify purchases. As with an iceberg, however, the most powerful drivers of consumer satisfaction strategies lie beneath the surface. Attitudes and emotions can be

observed that are based on logical reason. There are, however, emotions and feelings, urges and needs we cannot so easily observe and are not even aware of.



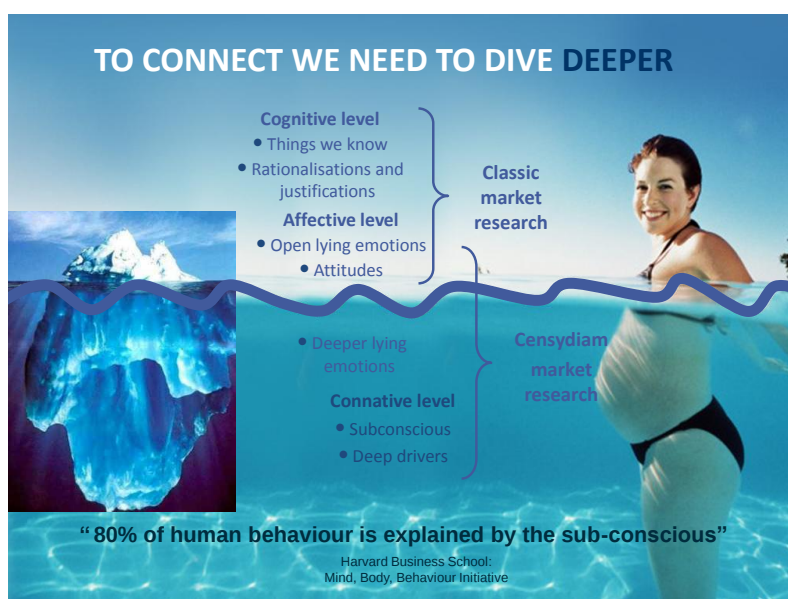
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Ipsos Marketing

Harvard Business School
Mind, Body, Behaviour, Initiative

Depth psychology has shown us that our inner world is the real driving force that steers our behaviour. Although icebergs may reach an impressive height above the ocean's surface, about 90% of the iceberg's mass is beneath the surface.

Below the waterline, we find the feelings and emotions, the motivations, urges and needs this is not visible.



The iceberg may be a good and even literal example of the condition of the human mind, but it does not tell us anything about its function. (Adopted from True Colours: Using Human Motivations to inspire Marketing by Synovate Censydiam).

Freud, Jung and Adler, have shown that the hidden mass of the iceberg, our inner world, is the real driving force that steers behaviour. The Censydiam philosophy is based on depth psychology to unravel the motivations that steers behaviour. The assumption of many leading neuroscientists indicates that more than 80% of decisions are made without access to the conscious mind. (Callebaut. J. Cross-cultural Window on Consumer Behavior_2000).

“In the past decades, the ability to identify needs and seek differentiation in positioning by exploring the cognitive level and part of the affective level with research, but in order to be more successful in today’s world, it is required to dive deeper, to go beyond the affective level and feed marketing development efforts with insights gained much deeper at a cognitive level of the subconscious mind. In doing so, in diving deeper, Censydiam uses a psychodynamic motivational framework” (Callebaut, J, 2000) that finds its roots in the academic world. (Harvard Business School: Mind, Body, Behaviour Initiative).

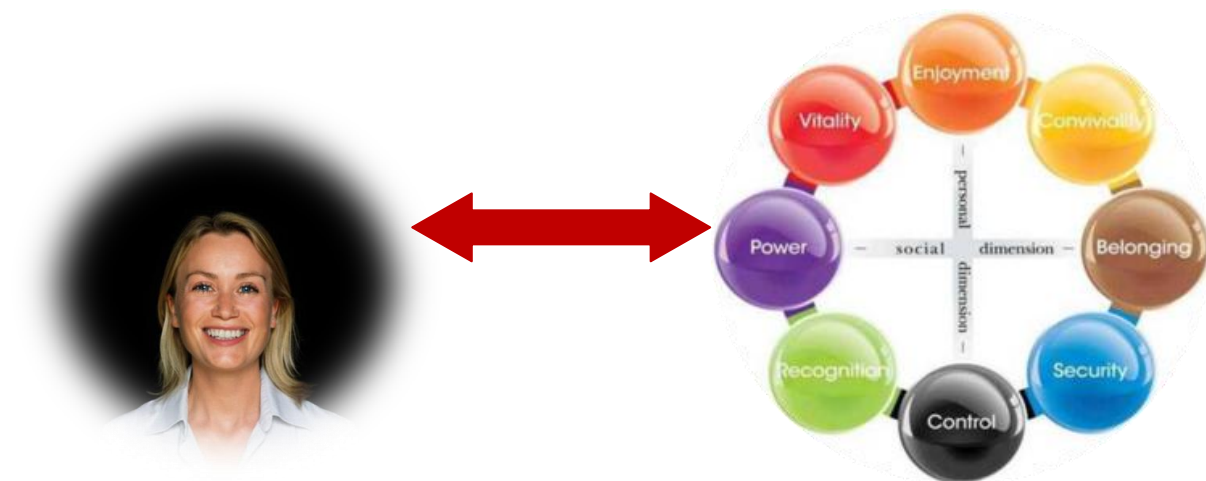
The founders of Censydiam (1987), Jan Callebaut and Prof. Hendrik Hendrickx has significantly pushed the envelope of analytical models of consumer behaviour. Long-term success in marketing required an actionable understanding of consumer motivations of which the Censydiam model details insights into these matters – ranging from the importance of the unconscious in consumer decision-making to the effective use of a universally applicable psychological model that can yield country-specific results and advocate a better understanding of human nature. (Callebaut,J, Paelinck.C, Lam.D_ Understanding Chinese Consumers: A new way of approaching marketing in Chinese culture, 2000).

“In reality, we all share the same fundamental desires and therefore the same motivations. The motivation that drives our behaviour at any point in time depends on the situation we find ourselves in, the environment, the time of the year, day of the week, time of the day and so on. Understanding this can help a brand know precisely where it fits in someone’s life, where it does not fit and therefore, what it needs to do to connect with people at the most relevant time” (Phillips, S, 2015).

The Censydiam approach gives **a globally consistent** point of view as it uses a Universal **Validated** motivational framework. Based in the principles of psychology, the model has been validated in **70+** countries across 36 categories and has been used by Censydiam for **27 years** to help clients develop their brand and innovation strategies.

Besides numerous clients using the Censydiam approach at a Business Unit level, several large multinationals are currently using the model at the **heart of their global brand strategy**. This universal point of view can give clients trying to make sense of complex global environments **a single lens** in which to look at the world – and then how they can position their brands consistently across diverse markets (Garant, U, 2001).

Linking the research problem and objectives, investigating the attitude of Bankmed medical scheme members, age 18-30 years, towards the medical scheme by exploring the Censydiam Model framework, will assist to understand why the loyalty of this young segment is deteriorating by investigating their needs and motivates. The Censydiam framework will provide Bankmed with a compass on how the scheme can connect the brand with this segment's deeper human motivations.



As reflected in the Keller's Brand Equity Model, brand resonance is achieved when consumers become familiar with unique brand associations which are relevant to their individual journey.

Chapter Three: METHODOLOGY

Methodology

The second research objective is to explore the Censydiam Model framework.

This chapter highlights the methodological considerations that have shaped how this research was conducted within the guidelines of the Censydiam Model.

3.1 Research Approach

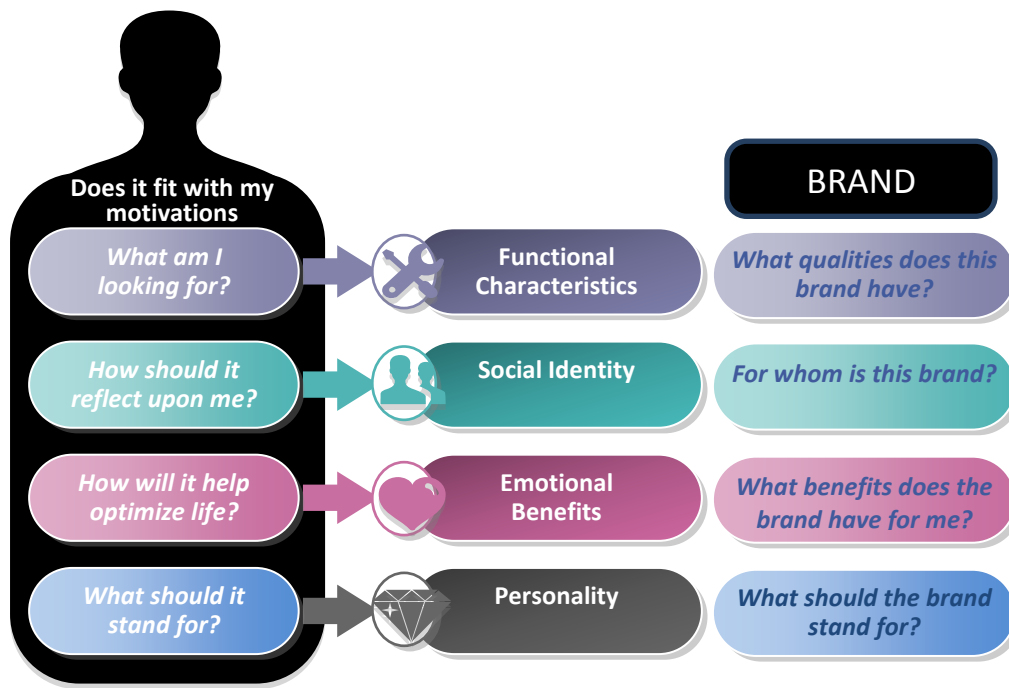
In contrast to the quantitative approach, qualitative research is an inquiry process of understanding where a researcher develops a complex, holistic picture, analyses words, reports detailed views of informants, and conducts the study in a natural setting (Creswell, J, 2007).

The research methodology follows qualitative. Censydiam is an acronym of the Centre for Systematic Diagnostics in Marketing. The Censydiam qualitative approach seeks to uncover **core human motivations** associated with the specific category, thereby growing brands by recommending how they can connect to these deeper human motivations which are framed according to two universal dimensions.

The **Personal** dimension (a continuum that runs from the desire to control and be rational, to the desire to let go and be spontaneous)

The **Social** dimension (a continuum that runs from the desire to assert oneself and stand out, to the desire for companionship and fit in with others)

These two dimensions lead to eight core motivations namely: Enjoyment, Conviviality, Belonging, Security, Control, Recognition, Power, and Vitality. The Censydiam method reveals four layers within each motivation as illustrated below, with which brands need to connect, to be relevant:



(Ipsos South Africa)

This approach is recommended because it will provide insights to;

- Grow the depth of this target market's relations with Bankmed.
- Increase the value of the Bankmed brand and brand experience of this target market.
- Mitigate the risks associated with freedom of choice for medical funding by this target market.

In addition, the Censydiam approach will answer the questions pertinent to this research study:

- What if the medical aid category is not relevant to the segment?
- Uncovering their needs, current priorities, and future dreams and aspirations as they relate to human motivations.
- Exploring how these basic needs and motivations play out in their approach to healthcare.
- Understanding where medical aid plays out in terms of these motivations.
- What if Bankmed is not speaking to them in the right way?
- Investigating current knowledge and information gaps related to medical aid.
- Exploring where they obtain said information and how it resonates with them.
- Understanding where Bankmed fits into their motivational framework related to healthcare and medical aid.

- Understanding the kind of emotional hooks that connect to the segment and how best to package the service, value and communications.
- By focusing on individual responses, making extensive use of projective techniques, and using indirect questioning to short-circuit rationalisations, we can tap into the subconscious of the respondents and enable them to express feelings and opinions which they either might not be able to express in conventional conversation or that are so covert that respondents don't even know they exist.

3.2 Research Methodology

"The types of questions to be conducted are empirical questions. "It is explanatory, descriptive, evaluative, and historical and evaluates cause and effect. It shows how history has influenced the current situation" (Bryman, A, Bell, E, 2014).

In line with the research objectives, a qualitative phenomenological design method has been used. The research will be **explorative in nature** and will therefore be a **qualitative approached** with **unstructured interviews** of focus groups whereby the observation role of the researcher will be that of a complete participant; covert observer and a fully functioning member. This approach enables the research to hone in on the respondents mind-set and the subjective meaning that they attribute to their attitudes, views and perceptions.

Limitations of qualitative research methods take time to carry out and to complete. It is for this reason that this type of data is usually collected from a smaller sample group rather than in the case of quantitative approaches. It makes qualitative research more expensive (Bryman, A, Bell, E, 2014).

3.3 Research Design and Data Collection

Research design provides structure and guides the qualitative research method. Subsequently, research design provides a certain framework for how data and information is collected and then the analysis of the collected data (Bryman, A, Bell, E, 2014).

In line with the research objectives and research problem the structure below was followed.

1. Two qualitative groups of six respondents.
2. Accessible targeted population.
3. Respondents to be age 18 to 30 years.
4. Respondents randomly chosen a set onsite data extract (members working for a particular employer group at a particular work site).

Each focus group will last approximately 3 hours in duration and will be facilitated by an accredited Censydiam researcher qualified to do psycho diagnostic analysis.

The discussion guide is designed in accordance to the study objectives specified, by utilising projective techniques to uncover the necessary insights. The guide explored the opinions according to the Guiding Principles of the Censydiam qualitative methodology.

Data will be collected in the form of semi structure focus groups and as per the Censydiam guiding principles noted below:

- People centric approach
- Motivational compass
- Informal conversations
- Focus on individual responses.
- Projective techniques and validated photosorts.
- Indirect questioning (not asking “why”).
- Data will be collected at point of interaction with the respondents assisted by a qualified Censydiam accredited researcher.
- Discussions will be guided by the Censydiam philosophy principles in open ended filtering questions which will be administered in English.

3.4 Sampling.

- Random sample with quota controls for life stage, medical plan and gender.
- The design, sampling, methodology and measuring will be standardised for all respondents, in order to ensure that the results can be interpreted across all participants. Bankmed to supply targeted membership database by employer group and work site (venue) from where a sample will be randomly extracted.

- The Censydiam focus groups framework provides an opportunity to interact with the target segment in an informal environment and will explore behaviour, products, brands and channels. It will also allow the opportunity to build on the discussion guide in situ should the conversation spark additional questions.
- Two three-hour in-depth Censydiam Focus Groups interviews were conducted on 24 June 2015 with Bankmed members aged 18 to 30 years employed at the First Rand Group.

Employer Group

Narrowing the focus group down to respondents from a specific employer group allowed for accessibility of these respondents. First Rand Group, Standard Bank, Absa - Barclays and Reserve Bank staff membership with Bankmed equates to 85% of the Bankmed population and the First Rand Group is the only employer of the four that does not provide a subsidy. This employer group provides the ideal 'worst case scenario' environment as respondents targeted is therefore best suited to understand the complexity because there is no financial benefit from an employee reward perspective towards the contributions of the medical aid. These employees would therefore have no hook into Bankmed except for their loyalty should the Bankmed membership as a condition of employed be abolished.

Suitability

Qualitative research gives us the opportunity to explore consumers' knowledge and experiences first-hand.

It can be used to examine not only what people think, but how they think and why they think that way.

It enables the ability to zoom in on individual's mind-set and the subjective meaning that they attribute to their attitudes, views and perceptions.

Advantages

- Enables more detailed and depth of information to be extracted
- Giving each individual the opportunity to expand and refine their opinions
- Offering more stimulation to the participants than a structured interview would
- It allows for creativity and idea generation amongst members

Direct Contact

This direct contact with consumers helps provide a feel for the market beyond the scope of quantitative measurement techniques

The researcher is there where the data is collected and information is therefore obtained directly and action can thus be taken immediately

Challenge and Limitations of the Censydiam qualitative focus group research method People's motivations are not so easily put into an analytical box. It is therefore noted that qualitative research has certain shortcomings such as, "if a concept is too general, it will fail to provide a useful starting point for research, and if it is too narrow, it is likely to have the limitations of definitive concepts. (Research Methodology Text Book, Concepts of Qualitative Research_Blumer (1954).

Quantification is ultimately necessary, but it is critical to understand the correct questions to ask before we attempt to become precise about consumers 'buying dynamics'. (The Naked Consumer Today: Jan Callebaut, Hendrik Hendrikx, Madeleine Janssens_Garant, 2002)

3.5 Research Instrument

The measurement of data collected for the semi structured interview will utilise both, the 'researcher-completed' and 'subject-completed' instruments in the form of Focus Groups with a structured Censydiam discussion guide, Observations and Participant Observations

The research instrument will be conversational analysis whereby the research will be broken down in seven themes namely:

Part 1 – Introduction

Part 2 – Category context: health insurance trends

Part 3 – Understanding the meaning and relevance of medical aid

Part 4 – Exploring motivations and behavior related to medical aid

Part 5 – Brand positioning – competitive brand landscape

Part 6 – Exploring meaning and opportunities for Bankmed

Part 7 – Advice and closing

A detailed discussion guide utilised at the focus groups is noted below from page 31 to 42.

DISCUSSION GUIDE FOR CENSYDIAM QUALITATIVE FOCUS GROUPS

PART 1: INTRODUCTION (10 mins)

Introduction of moderator and Ipsos

- Welcome respondents in a warm and friendly manner. Offer something to drink/eat.
- Present yourself, your function (a go-between person between consumers and producers) and Ipsos - independent market research company.

Explanation of topic and way of work & reassure respondents

- Explain purpose of the interview – Understanding more about young people and their financial priorities.
- No definitive right or wrong answers – all are right and welcome, whatever you think and feel is interesting to us.
- Encourage and prepare respondents to be as imaginative and creative as possible - no limits, no such things as bad ideas, out of the box thinking. Fun and relaxed session.
- Encourage respondents to talk about their own stories/feelings, give a lot of examples.
- Explain confidentiality, note taking, video and audio taping.

Introduction of respondents

- Ask respondents to present themselves by stating their first name (use the first name throughout the discussion) and by telling the group who they would want to be for 1 day (e.g. a famous person, an animal, a car etc.). Ideally this should be related to the project, for example in this case people can be asked to introduce themselves as a drink. You can also use another creative exercise.

De-norming exercise

- Taking off shoes.
- Hand on shoulder.

- Explanation: *this is to encourage us to look at our inner world and share emotions; also, this is to show that we have different reactions and feelings in the same situation, can be negative & positive.*

PART 2: category context – health insurance trends (15')

OBJECTIVES: The culture, norms & overall living conditions influence how people deal with products, services & brands. In the first part of our discussion we therefore explore the culture influence and trends when it comes to nutrition.

Exploration of the local healthcare cover habits - Documentary

Let's assume that we are asked by a friend of ours who is a film director to take part in a documentary s/he makes, covering attitudes towards healthcare cover here in South Africa. S/he wants to talk to people like us (same age, same interests,...) to really understand what healthcare cover means in our country. S/he really needs to get an insight in all the elements that influence people when it comes to healthcare cover: patterns, preferences, feelings, emotions, trend, etc... S/he is also interested in our personal likes and dislikes. Of course we would very much like to help him, as he is a good friend of ours. What would we tell him about the following issues?

- What would we tell our friend?
- How can we characterize people in our country with respect to healthcare cover?
- What do these things mean in our lives?
- How do we feel about them?
- How important / unimportant are the various types of healthcare cover to us? How come?
- What mood, what atmosphere, and what feelings do we connect to healthcare cover?
- What are our priorities and values in relation to it?
- For what do we specifically need healthcare cover?
- Have you noticed any changes in healthcare cover habits lately? Which? How come?
- Which are dominant patterns / routines nowadays?
- Which are emerging trends nowadays?
- How do we feel about those trends?

- How do those trends influence the way we approach healthcare cover?
- How do we find out about healthcare cover?
- What sources of information do we use?
- Which sources are most useful? Least useful? How come?
- Which sources are most credible? Least credible? How come?

PART 3: understanding the meaning and relevance of medical aid (35')

OBJECTIVES: In this section, we start exploring what medical aid means to respondents. Understanding medical aid in general is key to better understanding the meaning of individual brands. We check for different expressions/meanings of medical aid to see which one would be most relevant for understand the relevance of Bankmed and its offerings

3.1 Meaning of 'Medical Aid' in general (25')

3.1.1. Mind clouds exercise (10')

I'd like you all to relax and close your eyes. I'm going to say a word and when I say that word I'd like you to write down all of the things that pop into your head. There is no right or wrong as we just want your thoughts.

The word is **medical aid**:

- When I say "medical aid" what are the words, feelings, images that pop into our heads?
- Let's make sure that we write down **positive, negative & neutral elements** that we relate to medical aid
- Allow time to write. Respondents stay seated and discuss Post-Its one person at a time

3.1.2 Open discussion - Meaning of medical aid (15')

Our friend who makes the documentary is especially interested in medical aid – what we think about medical aid and how we deal with them. What would we say to our friend?

- What does “medical aid” mean to us?
- How would we explain medical aid to someone who has never heard about it?
- How is “medical aid” different from other healthcare cover?
- How is “medical aid” important to us? What is important? What is less important?
- How do we feel about “medical aid”? How come?
- Let’s imagine that medical aid suddenly ceases to exist. That there is no such thing as medical aid anymore. What would we do?
- What would we miss?
- How would we feel?
- What would our society be like without medical aid?
- How would other people react?
- What is unique about medical aid?
- What kind of substitutes would we try?
- In what way are they different / the same?
- + PROBING

3.1.3 Exploring emotional experience of Medical Aid – Planet Exercise (10')

Let’s imagine that we’re about to depart on a journey through space, off to unknown worlds. We depart in our spacecraft that brings us to unknown places in distant space. After a long trip, we finally reach the “medical aid” planet. It is an unknown planet to us. The only thing we know is that everything in this world evokes the feeling of medical aid.

- What kind of planet is this?
- What does this planet look like?
- What kind of climate?
- What does the landscape look like?
- Colours?

- What are the inhabitants of this planet like?
- Character? Personality?
- What do the inhabitants do all day?
- How do they relate to each other?
- What is the mood like?
- How do we feel here?
- What do we like here?
- What do we miss here?
- + PROBE

PART 4: Exploring motivations and BEHAVIOUR related to medical aid (15')

OBJECTIVES: In this section, we will focus on understanding the different motivations that exist towards medical aid as well as individual habits and behaviour related to medical aid. This will give us motivational context for understanding opportunities for Bankmed

4.1 Consumer motivations: Why? Self Image (15')

We here have a number of pictures of men/women whom we don't know, but who all give us a certain impression. They all have their own image and personality. Let's pick one picture of a man/woman who gives us the feeling of dealing with medical aid in the very same way we do. Let's see which one of them gives us the impression of dealing with medical aid with the same intentions, preferences and expectations as ourselves... Let's imagine that this person comes to life:

- Put the pictures in front of respondents & let them have a look.
- Ask them to leave the pictures on the floor, but to mentally pick a picture.
- Respondents can pick the same picture, but each respondent has to tell his/her own story about this person.



A. Social identity

- What kind of person is s/he?
- Character, personality?
- Which name would really suit her/him?
- What is s/he like with others?
- Lifestyle? Family? Children?
- What does s/he do in daily life (job, hobbies, spare time)?
- How does s/he view life?
- What are his/her values?



B. Emotional benefits

- How do these values reflect in her / his way of using medical aid?
- How does this person feel about medical aid?
- What is the most important for her/him when it comes to medical aid? What is he/she looking for?
- What is less important?
- What does s/he like about medical aid?
- And what is annoying to her/him?



C. Functional characteristics

- What does she expect from medical aid?
- What kind of medical aid products/plan does s/he use? How come?
- What characteristics does that product/plan have?
- How did s/he go about choosing a medical aid?
- Which providers? How come?

+ PROBING



D. Personality

Thinking about the ideal medical aid for this person, what kind of brand should it be?

- What kind of imagery does it need to portray?
- Characteristics? (probe for values such as inspiring, traditional, accessible, ...)

PART 5: Brand positioning – competitive brand LANDSCAPE (100')

OBJECTIVES: In this section, we explore the different medical aid providers that are present in the market. This will give input on the competitive environment for Bankmed & the main expectations towards medical aids.

Our director friend would like to include part on the medical aid brands on our market in his/her documentary. Let's help him/her understand about the different medical aid brands that exist...

- Which brands do we know in our country?
- Moderator writes brands down on cards – show flash cards one by one and get spontaneous associations with them
- A maximum of 3-4 brands to be discussed per group (aim for Discovery, Bonitas, Fedhealth, Bankmed)
- For Bankmed ask section 5.1 to 5.5 (up to 45 minutes)
- Or the competitors ask section 5.1 to 5.3 (up to 15 minutes for each brand)



5.1 Rational Experience (15')

5.1.1 Mind clouds exercise – Bankmed only (10')

I'd like you all to relax and close your eyes. I'm going to say a word and when I say that word I'd like you to write down all of the things that pop into your head. There is no right or wrong as we just want your thoughts.

The word is Bankmed

When I say "Bankmed" what are the words, feelings, images that pop into our heads?

Let's make sure that we write down positive, negative & neutral elements that we relate to Bankmed

Allow time to write. Respondents stay seated and discuss Post-Its one person at a time

Per brand (all brands)

- What do we know about this brand?
- How can we describe what kind of brand this is?
- What is characteristic of this brand?
- What do we like/dislike about this brand?
- What are the benefits of this brand?
- What are the weaknesses of this brand?
- How is this brand different from other brands?
- What is unique about it?

Product

- Which products does this brand offer/have in range?
- How would we describe the products?
- How do we feel about these products?
- What are the strengths & weaknesses of these products?
- Moderator writes on flipchart

Price

- What can we tell about the price/monthly premiums?
- How do we feel about this?
- What does the price tell about the brand?

Communication

- What can we tell about the communication of this brand?
- What do we remember?
- How do we feel about this?
- What does the communication tell about the product/brand?
- Which characteristics/elements of the brand/product are highlighted?



5.1.2 Social Identity (5')

- What kind of impression does this brand leave on us?
- What can we tell about the people who use this medical aid?
- How are they different from users of other medical aids?
- What do these people like/dislike about this brand?
- What do they value about this brand?
- Character? Personality? Lifestyle? Age?
- ... + PROBING



5.1.3 Emotional benefits - Hotel (10')

Let us imagine **the hotel** which shares the same characteristics of this Medical aid brand. When we are in this hotel we get the same feelings as we do when we think of this medical aid brand. It has the same mood, atmosphere, values as the brand.

Let's imagine this hotel has come to life:

- How does interior look like? Style? Furniture? Colors? Rooms?
- What is the atmosphere / mood in the hotel?
- Where is it located? What kind of place?
- How does the staff look like? Behavior? Appearance? Personality?
- How does the managing director look like? What are his/her goals?
- What kind / level / quality of services do they provide?
- What additional facilities do they have?
- Kind of experience do they offer to their guests?
- Who are the visitors/guests? Demographics? Life style? Preferences? Values?
- How do visitors feel in the hotel? What do they like /dislike about the hotel?
- What do they expect? What do they get?
- What does hotel stand for? Which values?



5.4 Personification – Brand Life Story (10')

Let's talk about this brand in a different way. Let's imagine that due to some magic they have become people just like you and me. They're no longer medical aid brands, but persons with a certain appearance and character that corresponds with the brand

As each person has, this brand has its life story – from the childhood, through adolescence, adulthood etc. Let's see what the life story for the brand X is.

Brand as a kid

- How did this brand look like as a kind?
- What kind of kid was it?
- How did s/he behave?
- Favourite games/ toys?
- How did her/his parents feel about him/her?
- ...+ PROBING

Brand as a teen

- How did this brand look like as a teen?
- How did s/he behave?
- Character/ personality?
- What kind of clothes does he/she wear? Style?
- School? Interests? Hobbies?
- Friends? Dating? Relationships?
- How did her/his parents feel about him/her?
- + Probing

Brand as an adult

- What kind of person do we see?
- What does he/she look like?
- What kind of clothes does he/she wear? Style?
- Occupation? Life style?
- What is his/her personality?
- How does he/she relate to other people?
- + Probing

Brand as a Senior

- What kind of person do we see?
- What does he/she feel about her life?
- What did s/he achieve?
- What does s/he feel proud about?
- What did s/he feel sorry about?

Brand legacy - Oscar for lifetime achievement (5')

- Let's imagine that there was Oscar for brands' lifetime achievements. This Oscar was given to brands that somehow improved the life of people, contributed to their wellbeing, gave support to the local community etc
- Would this brand get this Oscar? How come
- For which achievements/ contribution would the brand get Oscar? How come
- + Probe

PART 6: exploring meaning and OPPORTUNITIES for bANKMED (15')

6.1 Ideal Experience of Medical Aid (15')



Let us imagine that we meet a fairy. This fairy wants to create for us the ideal medical aid. A medical aid that would satisfy all our wishes & demands. A medical aid that would be perfect for us. Unfortunately, the fairy cannot read our mind, so we have to tell her what kind of medical aid we would like, not only in terms of what it should offer, but also how it should make us feel when we are a member of it

- What would we ask the fairy?
- What kind of medical aid is it?
- What would be the characteristics of the ideal medical aid?
- Imagine we can create a publicity campaign for our ideal medical, what would we do?
- What mood would we use?
- What kind of satisfaction does it give us to be part of this medical aid?
- ...+ PROBING



Picture sort - Abstracts

Let's talk now in another way about how we would feel about being a member of this ideal medical aid. Sometimes it is difficult to express exactly how we feel about something, but we can also do that in a different way. One of the means to do so is making a painting, or a picture, using images to express something. Let's take a closer look at a few images. Each of these radiates a particular atmosphere, a specific mood. Let's go by our first impressions and pick the image, that we feel expresses best how we feel about being a member of this ideal medical aid.

- Spontaneous reactions?
- What feeling is expressed here? Mood?
- What kind of atmosphere did the artist try to express here?
- +PROBE

PART 7: ADVICE & CLOSING (5')

Let's imagine that the company of this new product has invited us to provide them with some final advice. He asks for honest advice, based on our experiences and expectations with respect to organic food and chocolate in general, and based on the things we have been discussing today.

- What will we tell this person?
- What could we recommend with respect to the new product?
- How could this product become more appealing? How could this product become popular?
- Which elements should definitely be preserved?
- Which elements should be changed?
- What should they be careful about? How is that?

The in-depth discussion guide was administered in 3 hours and 20 minutes and 3 hours and 40 minutes in the respective discussion groups.

3.6 Validity and Reliability

Internal Validity: The design of research study supports the Censydiam Model framework and the research analysed motivations. A Censydiam accredited research specialist was consulted to assist in the design of the questionnaire and the psychological analysis thereof.

External Validity: This study can be replicated beyond the immediate study sample used at the First Rand Group and can be generalized to the broader medical scheme membership.

Objectivity: The research tool utilised aims to support objectivity because it was based on the Censydiam Model framework.

3.7 Data Analysis Method

Interviews were conducted at the offices of the First Rand Group in Randburg in a comfortable sitting room which is known as a 'Chill Room' for staff. The interview has been conducted in accordance to the discussion guide which can be found of page 31 to 41.

The data has been recorded by making notes on interview and observation protocols and by using audio and video recording devices. The text data is then transcribed for further analysis. The qualitative text analysis consists of coding the text segments by assigning labels and then aggregating similar codes into themes. Data analysis is based on the values and meanings that the participants perceive for their world. Ultimately, it produces an understanding of the problem based on multiple contextual factors. Interpretation involves psycho analytics to state the larger meaning of the findings and personal reflections.

A special developed Censydiam analytical software, Illogic©, for the data analysis of the Censydiam psychodynamic motivational framework, is used to systematically analyse and structure the interview output, while preserving the depth and sensitivity of the consumer language.

3.8 Ethical Considerations

Participation in the interviews was voluntary to ensure transparency and accuracy.

- Participants will be informed in advance and reminded during the introduction about the duration of the qualitative survey, that they agreed to partake in a research study, the purpose of the research, how it will be conducted, what is expected of the participants, the purpose of the insights derived and that all feedback will remain anonymous.
- To be mindful of social, political and economic background of participants.
- Not to marginalize participants into social hierarchy status.
- Respondents were informed that no information will be used, disclosed or given to any other parties except for the use and purpose of the purpose and confidentiality is guaranteed.

Chapter Four: RESEARCH ANALYSIS AND FINDINGS

The following research analysis and findings are based on the responses from the qualitative focus groups conducted.

4.1 Research Analysis and Findings

4.1.1 Medical Aid clearly emerges as a grudge purchase

Two themes that emerge strongly from the research are:

- Medical aid members feel unsupported in terms of knowledge/information, as well as coverage.
- The expense is seen to outperform the benefits – i.e. they do not feel they are getting a return on investment, which was not an elective investment in the first place.

Lack of choice, in terms of belonging to a medical aid in the first place, and of being able to choose the provider, seems to be a particular frustration for young members

4.1.2 Cared for, but not Cared About

The overall picture is of members feeling that they are **taken care of** (i.e. their medical expenses are covered), but not necessarily **cared about** (i.e. there is no warmth in either direction in the relationship between medical aid and member). The experience after on-boarding is cited as an example of this, where one is apparently cushioned initially, and then cut adrift once the first payment has been deducted from the salary.

They tend to feel that medical aid is **confusing** in terms of benefits and coverage, and that nobody is there to help them understand what it is all about. As a result of this, many are **disengaged** emotionally from medical aid and view it as an **unnecessary** expense given that they are healthy.

Although there is anecdotal evidence of members deriving benefits from medical aid cover when faced with a large medical bill, there is a feeling that medical aids tend to be **inflexible** and do not take cognisance of their current medical needs.

“You don’t have a choice whether you want it or don’t want it. You find that in a year maybe I will go to a doctor once and the money they are taking there is much more.”

Male, 22-30 years

“I would like to just add on it, maybe I would like more information on that medical aid which I will be taking and it goes back to the affordability, what I will opt for kind of thing, and what I would add is since I am not a sick person and don’t go to the doctor often what do they have for me?” Male, 22-30 years

4.1.3 Life stage can impact views on Medical Aid

More resistance to the concept of medical aid was seen to come from **singles**, particularly males. When moving to a life stage where dependants become a consideration, there seems to be a more accommodating view of medical aids in that they enable the member to fulfil his/her protective obligation as breadwinner and/or parent. The challenge for any medical aid is to position itself to the young single in such a way as to seem relevant, particularly to the sole breadwinner who feels that the expense is unnecessary.

Medical aid is seen by some as **insurance** – that one is covered for unforeseen events; it is the nature of these events that seems to be particularly frustrating and disempowering for them – one doesn’t know what may or may not happen, and taking a knock in the take-home pay therefore seems unjustifiable. However, on the positive side, medical aid is seen as helping to establish some sort of financial discipline – introducing a savings culture and mind-set.

4.1.4 Major benefit is access to Private Healthcare

The fear of having to rely on **public medical care** is a significant worry for young members, and is one of the major motivations behind belonging to a medical aid.

As such, were young members given an opportunity to withdraw their membership and decide whether or not to choose another medical aid, almost all would again become a member of a medical aid, or would have to budget for medical expenses, which is a very unwelcome and daunting prospect for many.

This illustrates that young members are not resistant to the **idea** of healthcare cover per se, but rather to the way this cover is currently provided – feeling disempowered, confused, and slightly overwhelmed.

If medical cover were positioned to younger members in such a way as to make it relevant to their needs, much of the negative sentiment towards medical aid would probably be reduced

“Now you are going to have to have a separate savings – this one is for my medical expenses, this one is should anything... just like a family man. You will save money to say I don’t know how many expenses I will have during the month.” Male, 22-30 years

4.1.5 The ideal Medical Aid for the Target Demographic



4.1.6 The “Ideal Medical Aid” emotional questioning cues what is important to this demographic – Peace of Mind and Partnership

- There are no common ailments underlying receptivity to medical aid (only dentistry, optometry and gynaecology were mentioned by name); members don’t know what may afflict them, therefore they are looking for **value for money** and/or **return on investment**.

- **Flexible** – reflecting a value of respect for members and empowering them to allocate their cover to their areas of greatest need.
- Relationship must feel like a **partnership – where control is shared and nobody is in a one-down position.**
- **Transparency** – to eliminate confusion and feel on an equal footing (egalitarian, no hierarchy).
- It must feel **organised** – give the member peace of mind.
- **Innovative** – making the members feel reassured that the medical aid will grow and develop apace with themselves.

“I would say charge me a membership package irrespective of how many dependents I have. I can choose where I want to spend that money – whether it is on one or the whole family.” Female, 22-30 years

4.1.7 Bankmed mostly checks the ‘Medical Aid’ boxes

As the only medical aid with which most members are familiar, it is not surprising that many perceptions related to medical aid, are also attributed to Bankmed.

There is a definite sense, however, that Bankmed is **limiting** to members in terms of benefits and networks, and it is ultimately seen as **inflexible**.

As with medical aids in general, it seems that perceptions of Bankmed are negatively influenced by members not having been given a choice of provider – i.e. feeling **disempowered** from the word go.

4.1.8 Illustrative verbatims about Bankmed – mostly rational associations

“I think they are the kind of people that always want people to know more about their products. I feel that they are actually always there for us in terms of if we have questions. All in all I would say they are keeping their people up to date all the time. It is just we as bank employees we are looking at it from a different angle in terms of the minute I see people from Bankmed are coming for a visit already I think why must I attend and why are they even coming because I feel as though I don’t have a choice?” Male, 22-30 years

“Sometimes when you join the bank and then you are not going to be charged for the first month and then the second month it goes double deductions and you got the confirmation letter late, I can’t go to the doctor but next month you are going to be charged for that month. I didn’t have a letter to say you can go to the doctor”
Female, 22-30 years

“I think they are just charging. I don’t understand how the charges go. It is just there. You get here and they tell you that is how it is. This is the amount.” Female, 22-30 years

“I have a doctor a street away from me but he is not on the list for Bankmed so I have to walk a very far distance to get to a Bankmed doctor. When you are very ill you don’t have that strength to walk so far. You want to go to your nearest doctor”
Female 22-30 years

4.1.9 Members are feeling disempowered

Inconvenience with HCPs / dispensaries

“Not all of them have dispensaries and when you get to them they will give you a prescription. They will do your consultation and then afterwards you have to go to Shoprite or Clicks” Female, 22-30 years

Lack of choice

“Do Bankmed listen to their customers or what? even if you go to first floor or second floor and ask them, are you satisfied with the medical aid? I think most of the people would say no because if they can maybe listen to their customers, what they want, because at this moment if you are to join you just have to take anything... they just put anything and categorise you... the customers don’t have a choice.” Male, 22-30 years

Limited benefits

“One thing that actually caught my eye was all specialised benefits were being allocated a certain amount and when you are seeing how much the procedure is monthly it doesn’t actually make sense.” Female, 22-30 years

Chapter Five: CONCLUSION AND RECOMMENDATIONS

This section provides recommendations to the research problem and possible solutions to the strategic direction to optimise brand resonance.

5.1 Research Conclusions

5.1.1 Communication is Key

Considering that the target market does not buy in 100% to the concept of medical aid, **communication** and **support** are key to maintaining positive relationships with this demographic. Anecdotal evidence, however, suggests that members feel unsupported and that the nature of Bankmed communication with them does nothing to win them over.

Bankmed communication is seen as **overly inclusive** – giving too much information and covering too many information areas, and contributes to members feeling ‘cared for, but not cared about’.

Bankmed, as a closed scheme, creates expectations for the more engaged members that they are going to get a more personalised offering than open scheme members – which they are going to be made to feel special; however, this is not the experience that most are reporting.

“When you are joining a medical aid you do get that treatment. It is only when you are a member and they know that you... you are just a number. You become just a number” Female, 22-30 years

“You are able to manage your benefits more than you would on an open scheme. You have the power to actually decide on what your employees or members want than you would on an open scheme” Female, 22-30 years

5.1.2 The 3 Cs of how to communicate to this targeted segment

The wish list in terms of Bankmed communication is as follows:

- Customised: it relates to the individual and their specific cover and not to everyone. This is also a generation that relates well to content that is interactive

rather than prescribed. Hyperlinks to take them to different, relevant communication may be appreciated as a result

- Clear: email subject line alludes to all important content and one does not risk missing important information by scanning the subject line
- Concise: the more information-dense the communication appears, the more likely this demographic is to ignore it

“It also depends on the timeframes that you have. Maybe you have spare time and you can read through your emails. Then if you are that busy you are looking for something that is directed at you” Female, 22-30 years

“I won’t even bother to know too much about Cost Saver. I know that as the main member this is how much I have to pay and then I’ve got a child and then this is how much I am going to pay. I am not going to even bother to check all those other plans because I know they are expensive. What is important is I am just waiting for that part where they say Basic Plan. I know I am Basic so that is when I will start asking a lot of questions” Male, 22-30 years

5.1.3 Conclusions

Young members feel disempowered, unsupported and confused by medical aid – although they buy into the need for healthcare cover, they are not seeing a return on investment in terms of paying in for treatment they may never need or receive. There is also a perception of communication gaps between medical aids and members, which are more qualitative (what is actually communicated) than quantitative (how often communication happens). Perceived inflexibility is also a criticism levelled at medical aids in general, and members tend to be disengaged emotionally from the healthcare category.

Attitudes to Bankmed mirror those toward the general category; it is seen as expensive and inflexible, with limitations on the cover and network of HCPs. There appear to be communication gaps, which compromise the image of Bankmed, and much of the resentment against the brand seems to be linked as much to lack of choice in terms of becoming a medical member, as to lack of choice of medical aid provider. Members who are aware of the distinction between open and closed schemes, feel that their Bankmed membership does not come with any perquisites that they may expect from a closed scheme.

There are no commonly-reported ailments particular to this target demographic, although benefits such as optometry, dentistry and gynaecology seem to be most relevant in terms of health maintenance. The lack of perceived relevant ailments appears to be the source of resistance against medical aids, in that this lack results in perceptions of poor value for money.

Because young members are unable to pinpoint specific ailments, they seek a medical aid package (from Bankmed) that is flexible in terms of what and who it covers. They wish to be respected and communicated to as individuals, and want to see themselves as relating to medical aids in positions of parity. They would like to be able to think of their medical aid as innovative, agile and transparent.

Seven motivational spaces have been identified in consumer engagement with medical aids. At present Bankmed sits in the Sanctuary Seekers space, meaning that it would be most credible and congruent to talk the language of offering peace of mind and security, and offer cover that is comprehensive and comprehensible; this means that, at induction, members should be made to understand all the benefits and coverage, as well as how these add up to a value proposition. From this point on, Sanctuary Seekers would then prefer not to think about their medical aid, but rest assured that they are covered and supported.

This motivational space is credible territory for medical aid, but does risk Bankmed maintaining a low-key emotional interaction with its members.

5.2 Research Recommendations

Communications from Bankmed need, as far as possible, to follow the 3 C approach – clear, concise and customised. Young members prize their individuality and do not like to be crowbarred into a one-size-fits-all provider or solution.

Consider showing flexibility in terms of benefits as suggested by the participants – e.g. funds that can be allocated as required rather than being tied to a certain allowance per health care category type, or to a specific network of health care category (CPs) e.g. hearing aids. This again talks to the language of ‘customised’.

Consider repositioning Bankmed in the Carer space – a provider that cares for members and their dependants, and as much as possible looks after members' health and finances. Proactive communication would be helpful in making members feel cared about, as opposed to taken care of. Auxiliary offerings such as health benefits and rewards may be less relevant as benefits to this segment than cover for loved ones, but flexibility may need to be applied to show members that Bankmed will help them look after their health if that is their desire, rather than obliging them to do so.

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